

JOINTA GALUSHA L.L.C.

PO Box 302 - 203 Warren St.
Glens Falls, NY 12801
518-792-5029 Phone
518-792-5230 Fax



PALLETTE STONE CORP.

PO Box 4550 - 373 Washington St.
Saratoga Springs, NY 12866
518-584-3877 Phone
518-584-4382 Fax

227304

June 18, 2010

ENTERED
Office of Proceedings

JUN 18 2010

Part of
Public Record

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423

VIA ELECTRONIC FILING

RE: STB Finance Docket No. 35348
CSX Transportation, Inc and Delaware & Hudson Railway Company, Inc.-

Dear Ms. Brown:

We are respectfully submitting this letter regarding STB Finance Docket No. 35348 in hopes that before a decision is reached regarding the proposed joint use agreement between CSX Transportation, Inc and Delaware & Hudson Railway Company Inc. that there may be discussion regarding the logistical ramifications of such an agreement. We are a major producer and shipper of New York State aggregate and currently use CP Rail to ship our product from our facilities in Upstate New York down to Long Island NY. An attempt was made to communicate our questions and concerns directly to CP Rail but in light of the case currently before the STB, they felt the most appropriate course of action would be to present this communication directly through an STB filing.

Currently, the rail operation that we have, in conjunction with CP Rail and New York and Atlantic, runs quite smoothly and the operational end is highly predictable. Based on the three day a week service that we receive with CP Rail and their train schedule from Albany to Fresh Pond, we can usually predict, fairly accurately when our cars are going to land at their destination. With a few exceptions, they also travel in blocks of approximately 40 cars and this grouping, for the most part stays intact. Many of our customers order our stone based on DOT projects and the timing of the deliveries is of utmost importance. With the proposed Joint agreement with CSX, we have concerns as to how this is going to continue. The following is a list of questions that we would like to have addressed so that we know what to expect if and when this merger occurs. Our plans are to expand our operation and we may have to make some serious modifications as to how we administer the logistics based on the answers to the following questions. I think having this in place prior to shipment would be beneficial to all parties involved.

Billing and Tracking

1) Currently CP Rail has a tracking system based on car tags. On a daily basis, we have access to an online report which enables us to effectively track our cars along the entire line from Comstock and Saratoga Springs down to their final destination in Holtsville. Before reaching Holtsville, our cars are switched to the New York and Atlantic Railway in Fresh Pond, NY and the CP Rail tracking system includes the cars on the NY & A Railway as well. This tool is extremely important to our logistics personnel and we would like to know if this report will still be available to us if and when the joint use agreement is approved. If it is, will it include the cars that are switched to the CSX line in Selkirk?

2) CP Rail has an online service which we use to bill out our cars for shipment. Currently, we bill them to their final destination in Holtsville. If CP Rail switches to CSX in Selkirk NY, will the original CP Billing stay intact or will this switch have to be billed separately through CSX or CP Rail?

Selkirk Switch

1) I understand that the Selkirk siding is a fairly large facility. When the switch occurs from CP to CSX, will my block of cars stay intact? Is there any policy going to be put in place to ensure that the aggregate cars from our two sidings stay in the blocks in which they were shipped?

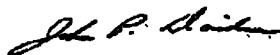
2) Will CSX have the option to pull a couple of our cars in order to fill a train, thus breaking up the shipping block? Our concern here is that with such a large siding, if the blocks do not stay intact, there is ample opportunity for cars to "mishandled" or switched incorrectly. If this occurs, it compromises our ability to deliver the appropriate quantity of stone to our customers in an acceptable time parameter. It can also lead to cars returning to our sidings in groups that would be impossible to place in time to avoid potential demurrage charges from CP Rail.

Fresh Pond (NY&A)

1) The questions above lead to another question regarding the switch to the NY&A in Fresh Pond. It is understood that the New York and Atlantic Railway has to accommodate the Long Island RR and adjust their shipment schedules accordingly. As it stands right now, it is relatively simple because they receive their loads from CSX separately from the CP Rail loads which primarily contain aggregate. If the trains from the CSX siding in Selkirk get combined, will NY&A be able to handle the switches and deliver our stone in an efficient manner?

I appreciate any assistance you can give in addressing these questions and concerns.

Sincerely



John P. Davidson
Vice President
Jointa Galusha LLC
Palette Stone Corp.